

# HOUSE BILL No. 1338

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-11-1-24; IC 36-3-4-24.

**Synopsis:** Consolidated city audits. Requires the state board of accounts to audit the city of Indianapolis.

**Effective:** July 1, 1999.

## Porter

January 12, 1999, read first time and referred to Committee on Rules and Legislative Procedures.

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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## HOUSE BILL No. 1338

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-11-1-24 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 24. (a) The state board  
3 of accounts shall establish in writing uniform compliance guidelines  
4 for the examinations and reports required by this chapter. The uniform  
5 compliance guidelines must include the standards that an entity must  
6 observe to avoid a finding that is critical of the entity for a reason other  
7 than the entity's failure to comply with a specific law.  
8 (b) The state board of accounts may not establish guidelines for the  
9 auditing of an entity that are inconsistent with any federal audit  
10 guidelines that govern the entity.  
11 (c) The state board of accounts must distribute the uniform  
12 compliance guidelines to each entity that the state board of accounts  
13 may audit.  
14 (d) If the state board of accounts engages or authorizes the  
15 engagement of a private examiner to perform an examination under this  
16 chapter, the examination and report must comply with the uniform  
17 compliance guidelines established under subsection (a). If a person



1 subject to examination under this chapter engages a private examiner,  
 2 the contract with the private examiner must require the examination  
 3 and report to comply with the uniform compliance guidelines  
 4 established under subsection (a).

5 (e) The state or a municipality may not request proposals for  
 6 performing examinations of an entity that is subject to examination  
 7 under this chapter unless the request for proposals has been submitted  
 8 to and approved by the state board of accounts.

9 (f) The state or a municipality may not enter into a contract with an  
 10 entity subject to examination under this chapter if the contract does not  
 11 permit the examinations and require the reports prescribed by this  
 12 chapter.

13 **(g) The state board of accounts may not authorize the**  
 14 **engagement of a private examiner to perform an examination**  
 15 **under this chapter for a consolidated city or a department of a**  
 16 **consolidated city.**

17 SECTION 2. IC 36-3-4-24 IS AMENDED TO READ AS  
 18 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 24. (a) For each  
 19 department of the consolidated city, the city-county legislative body  
 20 shall establish a standing committee, having at least three (3) members,  
 21 to investigate the policies and expenditures of the department.

22 (b) The legislative body or its committee may:

23 (1) **subject to IC 5-11-1-24**, hire an internal auditor, an  
 24 independent certified public accountant, or both, to examine the  
 25 books and records of the consolidated city, any of its special  
 26 service districts or special taxing districts, and the county;

27 (2) investigate any charges against a department, officer, or  
 28 employee of the consolidated city, or any of its special service  
 29 districts or special taxing districts, or the county; and

30 (3) investigate the affairs of a person with whom a city or county  
 31 agency has entered or is about to enter into a contract.

32 (c) When conducting an investigation under this section, the  
 33 legislative body or its committee:

34 (1) is entitled to access to all records pertaining to the  
 35 investigation; and

36 (2) may compel the attendance of witnesses and the production of  
 37 evidence by subpoena and attachment served and executed in the  
 38 county.

39 (e) If a person refuses to testify or produce evidence at an  
 40 investigation conducted under this section, the legislative body may  
 41 order its clerk to immediately present to the circuit court of the county  
 42 a written report of the facts relating to the refusal. The court shall hear

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1 all questions relating to the refusal to testify or produce evidence, and  
2 shall also hear any new evidence not included in the clerk's report. If  
3 the court finds that the testimony or evidence sought should be given  
4 or produced, it shall order the person to testify or produce evidence, or  
5 both.

6 SECTION 3. [EFFECTIVE JULY 1, 1999] **IC 5-11-1-24 and**  
7 **IC 36-3-4-24, both as amended by this act, apply only to**  
8 **examinations for fiscal years beginning after December 31, 1999.**

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